

Constructive

Public

Opinion

F. A. VANDERLIP

PRESIDENT THE NATIONAL CITY BANK
OF NEW YORK

ADDRESS BEFORE
NEW JERSEY STATE
CHAMBER OF COMMERCE
NEWARK, N. J.
JUNE 22, 1914

LIBRARY
OF THE
UNIVERSITY OF ILLINOIS
11 JUL 1914



Digitized by the Internet Archive
in 2021 with funding from
University of Illinois Urbana-Champaign Alternates

380
V28c

Constructive Public Opinion

12 Ja 15 M.S.

There is special significance and promise in the character of this gathering. You have met as representatives of the many Chambers of Commerce organized throughout this State. These associations of business men have of late grown so numerous that there is hardly a commercial town of any importance in the State that does not have its Chamber of Commerce, forming a center for the exchange of commercial thought and a platform for the utterance of commercial opinion.

The movement is significant in indicating, as it does, that business men are coming to grasp the necessity for that kind of organization. This meeting tonight, bringing together representatives of the Chambers of Commerce throughout the State, is full of promise, for it indicates a recognition of the value of association among these organizations. It indicates an understanding of the good which will come from an interchange of views, and of the added power which will result from concerted effort.

10314 Natl City Bank, N.Y.C. 7

There is reason enough why business men of this State, and why business men of the whole nation, should see the need for such organization. There is necessity for the association of these business organizations into effective forums for the discussion of current affairs. There is need to band them together for the promulgation of unified views, that will help a right public opinion. I believe that business men are face to face with a peremptory necessity for taking a deeper interest in political affairs. It is no longer a time for platitudes about discharging one's

duties by going to the polls. There is a much larger duty of citizenship. The polls are merely the place of registering the conclusions of political thought.

It is the duty of business men to think deeply enough upon these problems so that their conclusions will stand the test of open discussion. It is the obligation of business men to make effective political contributions, which will help to form a sound public opinion.

Viewed in this larger sense, I believe that nearly everything that business men have to complain of in the political tendencies of the day can be pretty directly traced to their own neglect of their political duties. I believe that such neglect has brought us to a point of gravest danger, danger that involves the very foundations of the present order. That there should have been such neglect is not an unnatural thing. The conduct of business requires a high specialization, a more complete specialization today, with all its complexities and its keenness of competition, than it ever before required. Specialists, whether they be business specialists or specialists of other kinds, are apt to be so wrapped in their own environment that they are unable to generalize. They are obtuse regarding matters outside of their specialty and are unable to detect the course of the larger currents of affairs. That is one reason why business men are not more widely awake to the true significance of the drift of political currents.

I firmly believe that if this nation is to avoid disaster, a general awakening is necessary. We must recognize the probable effect of present day political tendencies upon business, upon property and upon property rights, and upon the course of industrial and commercial development. I believe that currents are developing today that may quickly become irresistible forces, and that, too, forces of adversity and ill fortune, if their dangers are not comprehended, their direction corrected, and their sources controlled.

The stake which business men have in the outcome

is enormous. Great as it is, however, it is of no more concern to them, of no more import to the future happiness of their children, than it is to the condition and outlook of the humblest of workers.

A disaster to capital, a crippling and discouragement of directive ability, the disheartening of men of enterprise, will not have its effects confined to the class which you as delegates from the Chambers of Commerce represent. Its results will encompass the whole social body. There is no man so humble that his interest is not as great as yours in the outcome.

Brooks Adams, whose pessimism I do not altogether share, has forcefully set forth in his "Theory of Social Revolutions" the thought which I have in mind. "Administration," he says, "is the capacity of co-ordinating many, and often conflicting, social energies in a single organism, so adroitly that they shall operate as a unity. This pre-supposes the power of recognizing a series of relations between numerous special social interests, with all of which no single man can be intimately acquainted. Probably no very highly specialized class can be strong in this intellectual quality because of the intellectual isolation incident to specialization; and yet administration or generalization is not only the faculty upon which social stability rests, but is, possibly, the highest faculty of the human mind. It is precisely in this pre-eminent requisite for success in government that I suspect the modern capitalistic class to be weak. The scope of the human intellect is necessarily limited; and modern capitalists appear to have been evolved under the stress of an environment which demanded excessive specialization in the direction of a genius adapted to money-making under highly complex industrial conditions. To this money-making attribute all else has been sacrificed, and the modern capitalist not only thinks in terms of money, but he thinks in terms of money more exclusively than the French aristocrat or lawyer ever thought in terms of caste.

* * * * As the capitalist is more highly special-

ized than the soldier ever was, he is more helpless when his single weapon fails him. * * * * It would seem to be almost mathematically demonstrable that the capitalist will in the near future be subjected to a pressure under which he must develop flexibility or be eliminated. * * * * Meditating upon these matters, it is hard to resist the persuasion that unless capital can, in the immediate future, generate an intellectual energy, beyond the sphere of its specialized calling, very much in excess of any intellectual energy of which it has hitherto given promise, and unless it can besides rise to an appreciation of diverse social conditions, as well as to a level of political sagacity, far higher than it has attained within recent years, its relative power in the community must decline."

This is a brilliant portrayal of a depressing outlook. There may be too much pessimism mixed in the colors with which the picture is painted. Nevertheless, it is a picture, the general outline of which the business men of this whole country are beginning dimly to see, and it is that recognition which makes it only too true that the main reasons for the present business depression are psychological.

I wish there could be a clearer comprehension of what a disheartened business community really means; what it means to the whole people! If the directive forces of business life are to lose heart, if their courage for new enterprise is to ebb, if their willingness to take risk, to test the chances of the future, to venture present possession upon prospective development, is to fail, then the psychology of the business mind becomes a matter of the gravest import.

One may well stop to ask if anything resembling such a state of mind really exists, and, if it does exist, is there any substantial foundation for it? A large part of the business world is pessimistic; yet there is much in the situation that would seem to make pessimism unwarranted. Nature is smiling as rarely

before, and holding out hands overflowing with plenty. The banking situation is peculiarly free from the results of errors of judgment, and nearly every community in the country has the advantage of an easy money market and a sound credit situation. We have had no blows from any extraordinary disaster. At many points, the statistical data of business shows that it is still in large volume; in some important particulars figures could be adduced that have rarely been exceeded.

In the face of such conditions, it may well be asked, are there just grounds for apprehension. Are the dangers that some of us think we see merely phantoms; have we minds so inflexibly bound to tradition, to the old order, that we cannot grasp the significance, or the beneficence, of change? Do we, therefore, perforce find in prospective changes prospective disasters, while, in fact, our apprehensions have no substantial existence? Are industries running on half time merely examples of unrealized fears; are the many illustrations of industrial distress that might be cited, of urgent need for financing that it is difficult to do, of new enterprise abandoned, of old enterprise left with plans for expansion grown cold, only the result of a blind and stiff-necked adhesion to the old order, of an inability to conform to new conditions, to new social and political ideals?

We seem to be without leaders wise enough to answer such questions so that their conclusions will convert those holding opposite views. Thus we have many conflicting opinions. For myself, I can only say that the political current upon which we are now beginning to travel with tremendous speed, seems to me liable to land us in a thorough-going disorganization of business and industrial life. Those currents may be engendered and guided by forces partially sincere and honest, but only partially, and even when those forces are sincere and honest, they are frequently ill informed as to facts and lacking in sound understanding of great economic principles.

In legislation there is a disposition to throw experience to the winds. We seem to have a new conception of the functions of government; of what legislation may be expected to accomplish. Indeed, we have gotten far away from the conception of the fathers of our government in our views regarding the relative balance of its three co-ordinate branches.

It has been well said, not by a business man, but by a distinguished historian, that, "Where Jefferson looked upon government as a negative force which would be more useful the less it interfered with the life of the individual, the present tendency is to insist upon the positive, directive, formative influence the State may exert upon the lives of its citizens. We are agitating for corrective and regulative legislation on every conceivable subject from the public health and the public morals to the hours of labor and the minimum wage. The assistance of the community is to be invoked to settle all the perplexed issues between individuals or between groups of individuals. Gradually, too, we find the authority of the central government gaining in the public estimation and believed to possess more adequate powers and to be better able than State or City to deal efficiently and promptly with most problems. The great increase of governmental authority, which the era of regulation demands, will apparently accrue almost entirely to the Federal Government, to the exclusion of State and local governments. And it will, furthermore, break another precedent of democracy and accrue to the executive rather than to the legislative."

This seems to me a clear exposition of a most significant phase of our political life.

A distinguished member of the United States Senate, that once "greatest deliberative body in the world," a few days ago impressively made this statement: "Every step of human progress is the abandonment or condemnation of that which went before!" There is the keynote of much of our loose political thinking—"Every step of human progress is the

abandonment or condemnation of that which went before."

The man who holds that view, the political party that legislates in the light of that pronouncement, must believe that what is is bad; that in novelty, in untried experiment, in new theory and in newer practice alone lie those measures of government that will be beneficial. So we have a legislative restlessness that is unparalled, a searching for novelty that results in as startling productions, viewed in the light of anything known before, as has been reached in Art by the schools of Cubism and Futurism. To the sober-minded, somewhat unimaginative, hard-working business man, to the man whose life has been a career dealing with facts, facts as they are, some of our recent legislative proposals are no more intelligible than that famous composition, which bore the title, "A Nude Descending a Stair Case." I admit there may be something of truth in some of the newer forms of Art, although I have never reached a point where Cubism is more than a huge joke, if it is not the work of a degenerated intellect. I can understand that a picture need not necessarily be a photographic reproduction of a fact. I am quite sure the great school of Impressionism has added something of permanent value to the Art of the world. Carrying the parallel into politics, I believe we should not be so bound to old forms as to close our minds to the consideration of new theories. We may well admit that there is a sound basis of economic facts back of many of the demands for novel legislation. Industry is in a novel situation. The changes wrought in our lifetime by new forms of power, of transportation, of communication, are revolutionary. Even greater have been the changes wrought by corporations. Let us, too, admit that the direction of these new forces have not always rested in the hands of men of great breadth of vision. Sometimes they have not been in the hands of men of honesty of purpose. All this, I believe, gives basis to a demand for what amounts

almost to a new code of business ethics, and for statutes that will support such a code. But while admitting all of that, we should see that those facts are no warrant for giving unlimited legislative freedom to groups of political Cubists and Futurists who do not comprehend principles, who do not know history, and who will be guided neither by experience, nor by common sense. To make a specific application of what I mean, let us consider the present legislative situation. Let us weigh what it would mean to current legislative proposals if we had a sound and well-informed public opinion, and if that public opinion was so crystalized that legislative and executive powers would be forced clearly to recognize it.

No previous Congress has enacted so much legislation of immediate, novel and fundamental importance in its relation to business as has the present Congress. Now, with its first regular session still uncompleted, it has in hand further measures of still more far-reaching importance, representing still more novel theories of governmental supervision. We find this active Congress proposing additional legislation which promises to create between business and government a relationship entirely new, which must proceed along paths heretofore unexplored.

Not only are the proposals in the pending legislation novel in their application to business, but there is another point of dissimilarity between these measures and any that we have had before. They are being discussed and in all probability will be passed by a Congress, a large majority of which is not in favor of passing them at the present time, and they will be added to the laws of a nation a large majority of whose citizens are not in favor of such laws being enacted at the present time. I am aware that these are sweeping statements. I am aware too that, even though the honesty of my opinion may not be challenged, the correctness of my information might be. It may well be said that although my business relations cover, with a good deal of intimacy, the

entire country, and while I have a rather extraordinary opportunity for obtaining the views of men from every section, the opinions which come to me may be highly colored by prejudice; they may come from a single class, and they may fail entirely to represent the true situation. I am not unmindful of all that, but I believe I have made full allowance for such probability in testing the information that reaches me, and after doing that I still unhesitatingly say that a majority of the people of this country are not behind Congress demanding the enactment of the further business legislation now proposed.

As to the statement that a majority of Congress itself is not favorable to the passage of these measures at the present time, I can say that I have personally talked with many of the leaders, including the leaders on the administration side, and they have told me unequivocally that a majority of both Houses would prefer to give the country a period of legislative peace and end the present session without further enactments.

I believe there is not a newspaper correspondent in Washington, familiar with the views of many individual Members of Congress, who will not verify that statement.

It has been charged that there is an effort to manufacture sentiment and in turn to have that sentiment impressed upon Congress by a chain of letter-writers, and the endeavor has been termed a conspiracy. I can tell you that I know of cases where Democratic Congressmen have written to their constituents begging them in turn to write to the President and endeavor to influence him to permit Congress to adjourn this session without further legislation affecting business. I do not regard this action on the part of Congressmen as a conspiracy, but rather an effort to bring out a true reflection of public opinion.

Let us consider for a moment how these measures, of vast import as they are to the business of this

nation, and, therefore, to the life of every citizen, whether business man or not, are being handled by Congress. There is no well crystalized sentiment there as to their form. The House has passed one measure of the first order of importance under a caucus whip and with closure of debate, openly expecting the Senate to revise it into reasonable form. Is it not probable that under the pressure of great desire to end the session, with hazy ideas of just what legislation they wish, and working in a field of practically untried experiment, with debate discouraged and legislative hearings cut short, the finished product will fail of its purpose?

Patrick Henry once said: "In proportion to the magnitude of the subject ought to be the freedom of the debate." Surely the magnitude of the subject is great enough to warrant giving time to every Member of Congress to express his matured and deliberate opinion concerning both the principles involved in this legislation, and the exact verbal form such novel enactments should take.

But of even more importance than time for discussion, is assurance of freedom to register individual judgment, uncoaxed by patronage or unthreatened by power.

I will agree with the most progressive of politicians that changed times and conditions warrant changed statutes, but I still believe that when these statutes are intended to create a fundamentally new relationship between business and government, when they are designed to furnish novel curbs upon the freedom of commerce, they should have back of them a clear and certain opinion of a majority of Congress and of the citizens of the country.

You may say that I ask for delay merely in the hope of gaining avoidance; that finding proposed measures distasteful and being powerless to defeat them, naturally the next step is to delay their enactment; and you may ask what good can be expected

from mere delay, if it is admitted that new conditions now make desirable new laws.

The proposal that I would like to see Congress agree to is this: I would by no means ask that Congress merely stop its legislative work because its members are weary, or because they hear domestic or political calls that are with great force attracting them homeward; I would ask that the two Houses go forward now with a full discussion of these several important legislative projects; that they permit free debate, and that they gather such information from hearings as they may feel will help them toward wise conclusions; that they finally, at as early a date as they can, agree upon the exact and specific form which these measures are to take on the statute books, and then, without enacting them definitely into law, that they go home and give the country three months' time in which to study their completed work. Give the voters three months' time in which to familiarize themselves with the exact terms of the law which Congress proposes to enact, give themselves three months' time in which to feel the reflection of public opinion, and if after that they are so minded, let them return to Washington and enact these measures into law.

I would rest perfectly contented under such an arrangement.

I would not ask for a referendum to prove whether or not a majority of the voters actually want this legislation, which at present I doubt; I would only ask that citizens have an opportunity, for a brief ninety days, to study in its final form such important legislation as is proposed. I would ask that business men have this opportunity to discuss this legislation, which so vitally concerns not only their interests, but the interests of the whole country and of all the people for years to come. Is it too much to ask that with such a grave responsibility resting upon legislators that they permit, and not only permit but seek,

such an analysis of their proposed acts and such a crystalization of sound opinion in regard to them?

We have gone through many years without this legislation; a delay of ninety days would not be fatal to the hope for beneficence from its effect.

A year ago we were told that the pending banking legislation had to be enacted at the special session. Failing that, there was finally brought to bear the greatest executive pressure to make it a law before the Christmas holidays. It is still unoperative, but the country is in no financial turmoil as a result. The chief executive took nearly six months to select the Board which is to be responsible for its administration, and considering the admirable character of the selections made, the time may have been well spent.

It was on October 14th, 1913, that the Eastern roads made an application to the Interstate Commerce Commission for advance in rates. That body has felt that it was wise to take the months that have intervened for considering the matter, and has not yet made public its decision, although the general subject has been under consideration by them since the roads made application in 1910.

Why cannot we, therefore, have a little patience, however strong our belief may be in the desirability of this pending legislation? Why ought we not to give the country time to study it in its specific and definite form, before it is finally engraved upon the tablets?

If such a course were adopted, however, it is easy to see how important it would be that the public opinion which weighed these measures, should be informed, right-minded, constructive. My only fear, were such a course taken with pending legislation, would be that through the neglect by business men of their duty in helping create a well informed public opinion, the reaction I anticipate might be delayed.

I have tried to give some hint of how important I believe it is that business men at the present time

should take a wider interest in political affairs. I have no serious criticism of Congress. My criticism goes back of that to the constituency—back to a public opinion which I believe is not well informed, which does not fully grasp the force of great economic principles that are more potent than any laws that Congress can enact.

You have your full share of blame if public opinion is ill informed. As a class, you have been silent in the face of calumny. Gross misstatements in regard to business methods and aims of business men have gained credit by being confidently repeated and rarely or never answered. An important part of the public holds resentment against business men because of the accumulation of the charges of misconduct that have been made and gone unanswered; because of the distorted pictures of your aims and methods which have gone unchallenged.

It seems to me time if business men are men of honor that they stand up and fight for their honor. You do not need to be told that in large part the motive back of the drudgery of business life is a motive, not of gain, but of accomplishment, an idealism as pure and clear as any statesman can boast of; but the general public does not know that, and will not believe it, while men bend cravenly to their tasks and never look up to answer detraction, misrepresentation and slander.

For the comparatively rare examples of greed, of blindness to social obligations, of unfairness, and even of dishonesty, we have all been made to suffer, because in the main we have silently submitted to generalizations drawn from these comparatively rare examples.

Now, it is useless to complain about a condition, unless one can suggest a remedy. Fortunately, it seems to me, the remedy lies directly in our own hands.

I have tried to indicate how important it is to the future of business that we now have a background of

sound and well-informed public opinion against which the new legislation which we need and are certainly going to have may stand out and be tested.

I can hardly over-emphasize how important I believe that is to the business in which everyone of you is engaged. With this in mind, you will not be surprised if I tell you that I believe the time has come when we should see made the most gigantic contributions that were ever made by business men to a political campaign. I do not care to which party the contributions are made, for the contributions that must be made, if you are to do anything that is effective, will not be contributions of money—they will be contributions of service; contributions of experience, of understanding, of truth; contributions in the way of an effective demand that the men whom you select as your representatives shall freely exercise their judgment, and contributions in the way of watchfulness that shall insure both honesty and intelligence in the exercise of representative obligations.

Now, all that is very well as a generalization; but we need something more specific, and I believe you have in the nature of this gathering the germ of specific action.

Let me make one more historical reference, and this time go back of the date of the foundation of the nation, and to those days when a public opinion was just beginning to form, which made our independence possible. There were a few men who saw clearly. The enactment of obnoxious laws had set many people "thinking with the eagerness and uneasiness of those who seek by some means to defend their liberties." James Otis, with his impressive eloquence, had said that he spoke in the name of three thousand freemen "who counted upon being heard;" but in truth there was no solidarity of opinion, no united front to present an irresistible resistance. The colonies were scattered. Courage was not always equal to putting patriotism above immediate material well-being. There were "darkeners of counsel" and the need of

the day was for something that would unify public sentiment. The proposal that accomplished that, came from Samuel Adams, when he suggested that in every commonwealth, in every colony, there be organized Committees of Correspondence. "If our design for these committees succeeds," he said, "there will be an apparent union of sentiments among the people of this province which may spread throughout the continent." The idea of the organization of these committees was popular; the members were indefatigable in their work. The result was the forming of a unified public opinion upon which was built the independence of America.

Is there not here an idea that we could adopt today, and is there not in this gathering the illustration of how to do it? Let our Committees of Correspondence be the Chambers of Commerce of the United States. Let us unite them in the work of creating an informed and sound public opinion. Let the work of doing that be parceled out with the genius that you who know the value of organization, of co-operation, of the subdivision of labor, in the management of your own affairs, have proved you possess. See that the wisest and ablest men of your community are placed in the executive positions of your organizations. Make of yourselves such earnest and able lieutenants that the detail of organization may be complete and effective. Understand fully that this means self-sacrificing service; that it means an expenditure of time, and that it means constant, co-operative effort.

Through your organizations, see to it that every misstatement of fact, whether made in Congress, in the press, or in any public utterance, is challenged. Let men understand that loose statement, that misstatement, can no longer go carelessly on. Have every page of the Congressional Record read and every time a misstatement is printed there challenge the man who made it; challenge him so publicly that an answer will overtake a lie. If a man is a demagogue, if he clothes half-truths in language that

appeals to prejudice, go into his district and answer and expose him. If a newspaper is ill-informed, see to it first that it has every facility for correct information, and then if it is still unfair, publish its unfairness in a way which will make unfairness unprofitable, and you will have no more of it.

I do not need to elaborate this idea. You are all too familiar with what organization can do to need more than a suggestion. But I know that some of you will answer that your lives have not been lived in the forum; that you cannot write; that you have not the power of speech so developed that you could with success publicly defend your views. In that I believe you are wrong. You do not know your latent powers. You can do it. You must do it. You need no tricks of rhetoric, no magic of eloquence. Just a plain, clear understanding of facts and principles, and a frank exposition of them.

You may think that the contribution that I am asking is more difficult to give than have been other contributions that you have been more frequently asked to make, but I tell you the satisfaction of such contributions, and the effectiveness of them will so far transcend anything you have ever done before in the way of participation in politics that you will find the blessedness of the wise giver is yours.

Such, then, is the appeal I would make for creating a constructive public opinion. The effort should include frankness to the public as to your own affairs, an appreciation of conditions outside of your own personal relationships, an active participation in political life that begins far back of the polls, begins at the beginning of the formation of public opinion—of that public opinion of which the result at the polls is only the final reflection—and I would ask that not only of the individual, but I would ask it of associations of individuals and the thorough co-operation of such associations in the work that is to be done.

I would see that there is banded together for effec-

tive, militant work, not alone every business man, but every citizen who could be induced to join these organizations. I would make special effort to bring into co-operative relationship those men who more than you are interested in prosperity, although their relation to it may be in the humblest capacity of laborers in those industries that you help to direct. I would especially invite representatives of labor organizations into your councils. I would ask newspaper writers and editors to join in your deliberations, in order that through the free exposition of your views and a free giving of information in regard to your acts and affairs these writers and editors may be in a better position to give facts to the public. Your organizations should be Bureaus of Facts. There must also be a national co-ordination of the work of these organizations—a national clearing house, a national executive committee. By making use of the organizations and facilities which we already have and by giving to them thought and effort in unstinted measure, the work can be carried on with undoubted success.

But if the work is to be effectively done, you must yourselves make the contribution of service. You cannot delegate the work. Do not try the plan of hiring others to promulgate your views. You cannot discharge your duty by writing checks. Band yourselves together, first in small associations, and then see that these associations are united in a common effort to impress upon the country those views which are the best results of your experience, your judgment, your sympathy, and your righteousness.

Band yourselves together to make an appeal to the common sense of the people. That will not be conspiracy. Seek by your united efforts to build a public opinion that will promote the safety and happiness of posterity. Do not think only in days or in weeks, but think in decades. Realize the responsibility which is yours to turn present forces in right channels. Realize that patriotism means a submergence of self-interest. By a submergence of self-interest alone can



3 0112 062133902

you help to form a public opinion that will permit the creative genius of business to be recognized at its true worth, and thus give to that genius the position it should rightly have—a place where it will be above adverse criticism.

Such a course of action will create a public opinion that will be constructive, and not as now destructive, of the best sort of business activity. If you will do this, if all of us will unite to create such a movement, there need be little fear for the ultimate solution of our problems, nor for the permanence of our prosperity and the pre-eminence of our country.